

ITEM# _____

PREPARED BY John Trusty

COMMISSIONER _____

APPROVED BY _____

RESOLUTION APPROVING CONTRACT WITH ARAMARK CORRECTIONAL SERVICES, LLC IN THE AMOUNT NOT TO EXCEED \$3,700,000.00 FOR THE MANAGEMENT AND PROVISION OF FOOD SERVICES FOR THE DIVISION OF CORRECTIONS AND AMENDING THE FY09 CORRECTIONS FUND BUDGET. THIS ITEM REQUIRES EXPENDITURE OF CORRECTIONS FUNDS IN THE AMOUNT OF \$3,700,000.00. SPONSORED BY COMMISSIONER SIDNEY CHISM.

WHEREAS, The Shelby County Division of Corrections is responsible for an average daily population of 3,100 inmates on a regular basis; and

WHEREAS, The Shelby County Division of Corrections must feed these inmates three (3) meals a day which meet both nutritional standards and satisfy their hunger since food related issues are the number one cause of inmate disturbances in prisons; and

WHEREAS, A significant number of the inmates housed at the Shelby County Division of Corrections have various work assignments ranging from Work Release and Road Department Work Lines to assisting in building and grounds maintenance for the Division, and therefore have different meal needs than sedentary detainees like those housed in the Jail at 201 Poplar; and

WHEREAS, The Division of Corrections operates with minimum custody staffing for the number of prisoners housed and must also feed its staff since they cannot be allowed to leave the facility during their shift; and

WHEREAS, Request for Proposal Bid Number RFP 08-003-57 with addendums was issued with responses due on April 9, 2008, and ARAMARK Correctional Services, LLC was the only response received. ARAMARK's proposal specified a cyclical planned menu, including portion sizes, and was based on a cost per meal served; and

WHEREAS, After a thorough review of ARAMARK's proposal was made and their expected billings projected and compared with the county's internal projected costs for FY09 based on estimated population levels, ARAMARK was chosen as the lowest and best method of providing food service for the Division; and

WHEREAS, The County will work with ARAMARK to place as many of its food service personnel as possible and will also seek to place displaced employees in other positions within county government for which they are qualified; and

WHEREAS, The operating budget and the position control budget for the Corrections Fund will need to be amended to eliminate positions and consolidate budgets into a single account for the contracted services; and

WHEREAS, ARAMARK will need until September 25, 2008 to begin operations after approval of a contract and has proposed guaranteed rates for each of three years based on current population levels; and

WHEREAS, The resulting contract was prepared for the period from September 25, 2008 through June 30, 2009 with the option to renew for two (2) additional one (1) year periods; and

WHEREAS, The contract is prepared pursuant to Shelby County Purchasing Policies and Procedures in the amount not to exceed \$3,700,000.00 for FY09.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the contract with ARAMARK Correctional Services, LLC in the amount not to exceed \$3,700,000.00 for the management and provision of food services for the period September 25, 2008 through June 30, 2009 for the Division of Corrections is hereby approved and funds are appropriated from account no. 956-350105-6635, Contracted Food Services.

BE IT FURTHER RESOLVED, That the County Mayor is hereby authorized to execute the said contract on behalf of Shelby County Government for the purposes herein contained, an executed copy of which is to be placed on file in the Purchasing Department.

BE IT FURTHER RESOLVED, That the County Mayor is hereby authorized to execute the annual renewals subject to satisfactory performance by the vendor, and subject to the annual appropriation of funds for each renewal term's corresponding Fiscal Operating Year by Shelby County Government. In the event sufficient funds for said Amendments are not appropriated by the Board of Commissioners for the fiscal periods relating to any new renewal term, then the Amendment will be terminated.

BE IT FURTHER RESOLVED, That the FY08 operating budget and the position control budget for the Corrections Fund are hereby amended as per exhibits A and B, respectively, which are attached to this resolution and incorporated herein by reference, and that funds are hereby appropriated as per the said exhibit.

BE IT FURTHER RESOLVED, That the County Mayor and the Director of Administration and Finance are authorized to issue their warrant or warrants in the amount not to exceed \$3,700,000.00 for the purposes contained in this resolution and to take proper credit in their accounting therefore.

A C Wharton Jr., County Mayor

Date: _____

Attest:

Clerk of County Commission

ADOPTED _____

SUMMARY SHEET

I. Description of Item

Resolution authorizes the Shelby County Division of Corrections to contract with ARAMARK Correctional Services, LLC for the management and provision of food services for the Division of Corrections. This is a change from operating food service with county employees. ARAMARK has been provided this service for the Jail since 2002. It is necessary to amend the Corrections Fund budget and position control budget for this change in the method of doing business.

The county issued an RFP for the Jail on March 3, 2008 and an addendum was issued on March 25, 2008 to include the Division of Corrections as a result of discussion during a Law Enforcement Committee meeting of the County Commission. The RFP required vendors to propose a menu that met portion sizes as well as equivalent nutritional and caloric values currently served at the Division of Corrections. ARAMARK was the only respondent and their proposed cost was compared to the historical and projected costs of the Division's food service operation. The Division's unit food costs have been rising this spring and recent food bids for FY09 reflect 15% to 20% increases over bids from a year ago. This rise in food costs is the basis of the decision to contract with ARAMARK.

ARAMARK's proposal reflects a annualized savings of \$600,000 for FY09 compared to the projected costs of internally staffing and operating the food service function. ARAMARK's proposal is within the Division's budget, while internal operations would require an estimated increase in funding of \$477,000.00 for FY09. In addition, ARAMARK will provide up to \$100,000 in new equipment for the Division's two cooking kitchens and will give the Sheriff a \$.03 per meal discount when awarded both facilities.

The County currently has 32 employees assigned to food service operations. The County will work to place these employees in other vacant county positions for which they are qualified and ARAMARK will give first consideration to our current employees in filling their positions.

II. Source and Amount of Funding

- A. Amount Expended/Budget Line Item – \$3,700,000.00 from 956-350105-6635, Corrections Division-Contracted Food Services. The County will recover at least 75% of these funds through State reimbursement for housing state prisoners.
- B. All Costs (Direct/Indirect) – County will continue to be responsible for utilities and maintenance of the building.
- C. Additional or Subsequent Obligations or Expenses of Shelby County – Ongoing responsibility for feeding inmates.

III. Contract Items

- A. Type of Contract - Contract for management and provision of food services
- B. Terms - Initial period from September 25, 2008 to June 30, 2009 with the option to renew for two (2) additional one (1) year periods.

IV. Additional Information Relevant to approval of this item

Administration recommends approval of this Resolution.

Proposed ARAMARK Contract for Corrections Food Service

Contract Term Changes from original contract:

- Maintenance of equipment is maximum of \$100,000 per year and unspent dollars roll to future years of contract
- New Equipment is maximum of \$100,000 over life of contract and must be approved by County
- Start date is revised to September 25th and initial contract is adjusted to \$3,700,000 based on fewer days in FY09

Contract Monitor:

- County position to monitor food and service quality and insure compliance with contract terms

Employee Input:

- **Director's Open Door:**
 - Held calendar open from 9 AM to 5 PM Friday, August 8th
 - 7 people requested to see the Director
 - 5 employees actually visited with the Director
- **Request for Employee Suggestions:**
 - Explanation and form given to employees for input for cost savings ideas on Wednesday, August 6th with ideas to be submitted by Monday, August 11th.
 - NO RESPONSES or IDEAS RECEIVED, verbally or written.

Employee Placement Opportunities for 32 current employees:

ARAMARK

- Job Fair on Thursday, August 7th
 - ARAMARK representatives included:
 - Karen Franklin, ARAMARK Director Human Resources
 - Tim Hutchinson, ARAMARK District Manager
 - Bonnie Rusnic, ARAMARK Regional General Manager
 - Shirley Hayslett, ARAMARK Manager at the Jail
 - Joyce Wilson, ARAMARK Assistant Manager at the Jail
- 29 Food Service staff attended
- 5 submitted applications and ARAMARK is willing to hire 4 of them

Corrections Officer and Counselor positions

- 21 Food Service staff applied
- 17 took the physical agility tests on Monday, August 11
- 17 took the psychological testing on Tuesday, August 12
- Process ongoing

Shelby County Division of Corrections
Budget Amendment FY09

Exhibit A
Corrections Fund

Account No. Description	Current Budget	Changes	Revised Budget
<u>Fund 956 - Org # 350110 Food Services</u>			
5102 Salaries	1,257,978.00	(857,532.00)	400,446.00
5190 Expense Allowance	0.00	16,920.00	16,920.00
5251 Overtime/Holiday Pay	24,000.00	(19,400.00)	4,600.00
5254 Overtime	87,450.00	(67,450.00)	20,000.00
5266 Longevity	1,650.00	(1,650.00)	-
5269 Shift Differential	5,075.00	(4,305.00)	770.00
5510 County Retirement	88,529.00	(60,027.00)	28,502.00
5511 OPEB Retiree Insurance	85,367.00	(57,883.00)	27,484.00
5516 MQFE	19,954.00	(12,434.00)	7,520.00
5520 Group Life	8,554.00	(5,831.00)	2,723.00
5540 Group Health	4,538.00	(4,538.00)	-
5543 CIGNA Insurance	211,898.00	(177,220.00)	34,678.00
5560 Long-Term Disability	20,128.00	(13,721.00)	6,407.00
5591 OJI	19,499.00	(13,292.00)	6,207.00
5592 Unemployment	4,139.00	(2,821.00)	1,318.00
5635 Lapse Time Restriction	(105,771.00)	105,771.00	-
6006 Apparel - Employees	12,000.00	(12,000.00)	-
6014 Custodial Supplies	30,000.00	(25,000.00)	5,000.00
6780 Maint Equipment	50,000.00	(43,813.00)	6,187.00
7004 Production Equipment	13,000.00	-	13,000.00
Total Expenditures	1,837,988	(1,256,226.00)	581,762.00

Fund 956 - Org # 350105 General Services - Selected Accounts

5102 Salaries	429,391.00	(45,831.00)	383,560.00
5510 County Retirement	30,057.00	(3,208.00)	26,849.00
5511 OPEB Retiree Insurance	28,984.00	(3,094.00)	25,890.00
5516 MQFE	6,602.00	(665.00)	5,937.00
5520 Group Life	2,920.00	(312.00)	2,608.00
5560 Long-Term Disability	6,870.00	(733.00)	6,137.00
5591 OJI	6,656.00	(710.00)	5,946.00
5592 Unemployment	1,413.00	(151.00)	1,262.00
6028 Food Purchases	2,900,000.00	(2,227,070.00)	672,930.00
6038 Kitchen & Dining Supplies	200,000.00	(162,000.00)	38,000.00
6635 Contracted Food Services	0.00	3,700,000.00	3,700,000.00
		1,256,226.00	

Combined Budget

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Shelby County Division of Corrections
Position Control Budget Amendment FY09

Exhibit B
Corrections Fund
Fund 956

Position No.	Position Description	Cost Center	Current Budget	Changes	Revised Budget
910180	MANAGER A	C0110	66,000.00	(66,000.00)	-
910182	SUPERVISOR A	C0110	49,446.00	-	49,446.00
960050	BUTCHER	C0110	40,515.00	(40,515.00)	-
880157	FOREMAN A	C0110	38,854.00	(24,025.00)	14,829.00
900131	SUPERVISOR C	C0110	37,951.00	(25,362.00)	12,589.00
910183	SUPERVISOR C	C0110	37,951.00	(23,580.00)	14,371.00
910184	SUPERVISOR C	C0110	37,951.00	(23,431.00)	14,520.00
862086	FOREMAN B	C0110	35,404.00	(23,394.00)	12,010.00
900132	FOREMAN B	C0110	35,404.00	(20,641.00)	14,763.00
910187	FOREMAN B	C0110	35,404.00	(22,220.00)	13,184.00
910189	FOREMAN B	C0110	35,404.00	(19,940.00)	15,464.00
860111	COOK	C0110	32,570.00	(22,120.00)	10,450.00
860596	COOK	C0110	32,562.00	(23,547.00)	9,015.00
860812	COOK	C0110	32,570.00	(22,036.00)	10,534.00
863096	COOK	C0110	32,570.00	(22,825.00)	9,745.00
880160	COOK	C0110	32,570.00	(20,207.00)	12,363.00
880161	COOK	C0110	32,570.00	(19,771.00)	12,799.00
890007	COOK	C0110	32,570.00	(24,392.00)	8,178.00
890008	COOK	C0110	32,570.00	(21,439.00)	11,131.00
891421	COOK	C0110	32,570.00	(23,697.00)	8,873.00
891422	COOK	C0110	32,570.00	(22,020.00)	10,550.00
891423	COOK	C0110	32,570.00	(20,501.00)	12,069.00
900137	COOK	C0110	32,570.00	(21,274.00)	11,296.00
900139	COOK	C0110	32,570.00	(23,828.00)	8,742.00
900140	COOK	C0110	32,570.00	(23,484.00)	9,086.00
900142	COOK	C0110	32,570.00	(22,925.00)	9,645.00
910194	COOK	C0110	32,570.00	(24,661.00)	7,909.00
910195	COOK	C0110	32,570.00	(20,543.00)	12,027.00
910196	COOK	C0110	32,570.00	(32,570.00)	-
910197	COOK	C0110	32,570.00	(20,366.00)	12,204.00
910198	COOK	C0110	32,570.00	(21,717.00)	10,853.00
910199	COOK	C0110	32,570.00	(24,755.00)	7,815.00
910200	COOK	C0110	32,570.00	(23,535.00)	9,035.00
960051	COOK	C0110	32,562.00	(23,577.00)	8,985.00
960052	COOK	C0110	32,570.00	(19,931.00)	12,639.00
920208	STOCKROOM WORKER	C0110	26,030.00	(22,703.00)	3,327.00
Total for Cost Center		C0110	1,257,978.00	(857,532.00)	400,446.00
960048	Purchasing Specialist	C0105	45,831.00	(45,831.00)	-
Total Selected Salaries			1,303,809.00	(903,363.00)	400,446.00